

NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE - Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

In the matter of:

Anthony Eladio Ramos, an unmarried man,

Western Gateway Region Rural Broadband
Company, Inc., a Delaware corporation,

Respondents.

DOCKET NO. S-21063A-18-0401

**TEMPORARY ORDER TO CEASE AND
DESIST AND NOTICE OF
OPPORTUNITY FOR HEARING****NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY****EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING****EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that Respondents Anthony Eladio Ramos and Western Gateway Region Rural Broadband Company, Inc. are engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

The Division also alleges that Anthony Eladio Ramos is a person controlling Western Gateway Region Rural Broadband Company, Inc. within the meaning of A.R.S. § 44-1999, so that he is jointly and severally liable under A.R.S. § 44-1999 to the same extent as Western Gateway Region Rural Broadband Company, Inc. for its violations of the Securities Act.

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I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.

RESPONDENTS

2. Anthony Eladio Ramos ("Ramos") was at all relevant times a resident of the state of Virginia.

3. Western Gateway Region Rural Broadband Company, Inc. ("Western Gateway") is a corporation organized under the laws of the state of Delaware on or around February 27, 2017.

4. Ramos and Western Gateway may be referred to collectively as "Respondents."

5. Respondents have never been registered or licensed with the Commission in any capacity.

III.

FACTS

6. On or around October 10, 2018, Respondents published an advertisement titled "CRYPTO/BLOCKCHAIN - Alt Assets - Self-directed IRA & Solo 401k" ("Craigslis Advertisemen") on Craigslis.org, an online classifieds advertisement website.

7. Specifically, the Craigslis Advertisemen was published in the "financial services" subsection of the Phoenix section of the website.

8. The Craigslis Advertisemen stated, "American stock companies with exempt limited offerings that are organized to transact business for the mass consumer market with blockchain technology using cryptocurrency of vendor companies."

9. The Craigslis Advertisemen also stated, "Huge e-commerce and streaming video opportunity, plus ad revenue. Authorized to accept cryptocurrency or U.S. dollars in consideration for payment of shares."

1 10. On October 11, 2018, an Arizona resident (“Offeree”) responded to the Craigslist
2 Advertisement via email. The email stated in pertinent part: “I saw you [sic] ad and am interested in
3 investing in something Crypto and/or Blockchain related but want to make sure I get in to something
4 that is not too risky.” The email also requested materials and asked, “Do you have an office and/or
5 Rep [sic] here in Phoenix?”

6 11. On October 11, 2018, Offeree received an email from Ramos. In the email, Ramos
7 identified himself as “Tony Ramos” and stated, “I just emailed a response to you from our company
8 email address. Please let me know that you received it.”

9 12. At approximately the same time on October 11, 2018, Offeree received another email
10 from Ramos on behalf of Western Gateway. The email began by wishing Offeree “. . . good morning
11 in Phoenix.” Regarding the offering, the email stated in pertinent part:

12 a) “[T]he offering is the only securities offering that is qualified by the SEC for
13 Reg. A, as a ‘blockchain company.’”; and

14 b) “[T]he company is building a full blockchain platform for all cryptocurrency,
15 but you are buying shares in the company, and not speculative cryptocurrency.”

16 13. Respondents’ October 11, 2018, email to Offeree also included an attachment which
17 Ramos called a “securities offering document.” Ramos described the attachment as “extremely
18 detailed” and “somewhat boring.”

19 14. The attachment consisted primarily of an offering circular (“Offering Circular”)
20 which offered of 13,333,333 shares of Western Gateway common stock at a price of \$1.50 per share.

21 15. The Offering Circular identifies Ramos as the president and board chair of Western
22 Gateway.

23 16. Regarding Ramos’ business experience, the Offering Circular states:

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1 Supplemental: Leader. Third generation self made entrepreneur. Qualified dealer by
2 the State of New York for WGR and Finger Lakes Region Rural Broadband
3 Company, Inc. Member of the elite professional political sector in Washington, D.C.
4 of originators of Congressional legislation. Top tier fundraiser. Member of the elite
5 professional political sector in Washington, D.C., of originators of significant
6 political policy/action campaigns. Writer and Issuer of JOBS Act offerings, filings
7 and shares.

8 17. The Offering Circular does not disclose that in 1997, Ramos was disbarred from the
9 practice of law in Florida for twenty years as a result of numerous instances of professional
10 misconduct, including lying to a tribunal, misappropriation of client funds, forging client signatures,
11 misrepresentation to successor counsel, improper collection of excessive fees, and representing a
12 client without authority.

13 18. The Offering Circular also identifies Olekanma A. Ekekwe ("Ekekwe") as the
14 corporate treasurer and as a voting board member of Western Gateway.

15 19. The Offering Circular represents that Ekekwe is an attorney admitted to practice law
16 in Washington, D.C.

17 20. The Offering Circular does not disclose that:

18 a) Ekekwe is suspended from the practice of law in Washington, D.C.;

19 b) In December 2016, the District of Columbia Court of Appeals Board on
20 Professional Responsibility Ad Hoc Hearing Committee issued a Report and Recommendation
21 ("Hearing Committee Report") in which it found that Ekekwe engaged in conduct involving
22 dishonesty, fraud, misrepresentation, and misappropriation, and therefore recommended that Ekekwe
23 be disbarred; and

24 c) In July 2017, the District of Columbia Court of Appeals Board on Professional
25 Responsibility issued a Report and Recommendation in which it generally agreed with the Hearing
26 Committee Report and likewise recommended that Ekekwe be disbarred.

21. The Offering Circular also identifies Thomas A. Burke ("Burke") as a voting board
member of Western Gateway.

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V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

31. From on or about October 10, 2018, Respondents have been offering or selling securities in the form of shares of stock within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

32. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

33. In connection with the offer or sale of securities within or from Arizona, Respondents are, directly or indirectly: (i) employing a device, scheme, or artifice to defraud; (ii) making untrue statements of material fact or omitting to state material facts that are necessary in order to make the statements made not misleading in light of the circumstances under which they are made; or (iii) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but is not limited to, the following:

a) Making false and/or misleading statements regarding the qualifications of Ramos, Ekekwe, and Burke.

34. This conduct violates A.R.S. § 44-1991.

VII.

CONTROL PERSON LIABILITY PURSUANT TO A.R.S. § 44-1999

35. From at least February 27, 2017 through at least December 14, 2018, Ramos has been and/or held himself out as the President and Chairman of the Board of Western Gateway.

36. From at least February 27, 2017 through at least December 14, 2018, Ramos directly or indirectly controlled Western Gateway within the meaning of A.R.S. § 44-1999. Therefore,

1 Ramos is jointly and severally liable to the same extent as Western Gateway for its violations of
2 A.R.S. § 44-1991 from at least February 27, 2017 through at least December 14, 2018.

3 **VIII.**

4 **TEMPORARY ORDER**

5 **Cease and Desist from Violating the Securities Act**

6 THEREFORE, based on the above allegations, and because the Commission has determined
7 that the public welfare requires immediate action,

8 IT IS ORDERED, pursuant to A.R.S. § 44-1972(C) and A.A.C. R14-4-307, that Respondents,
9 their agents, servants, employees, successors, assigns, and those persons in active concert or
10 participation with Respondents CEASE AND DESIST from any violations of the Securities Act.

11 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in
12 effect for 180 days unless sooner vacated, modified, or made permanent by the Commission.

13 IT IS FURTHER ORDERED that if a request for hearing is made, this Temporary Order shall
14 remain effective from the date a hearing is requested until a decision is entered unless otherwise
15 ordered by the Commission.

16 IT IS FURTHER ORDERED that this Order shall be effective immediately.

17 **IX.**

18 **REQUESTED RELIEF**

19 The Division requests that the Commission grant the following relief:

- 20 1. Order Respondents to permanently cease and desist from violating the Securities Act,
21 pursuant to A.R.S. § 44-2032;
- 22 2. Order Respondents to pay the state of Arizona administrative penalties of up to five
23 thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036; and
- 24 3. Order any other relief that the Commission deems appropriate.

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X.

HEARING OPPORTUNITY

Each Respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If a Respondent requests a hearing, the requesting Respondent must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received by the Commission within 20 days after service of this Temporary Order and Notice. The requesting Respondent must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at www.azcc.gov/divisions/hearings/docket.asp.

If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered.** After a hearing, the Commission may vacate, modify, or make permanent this Temporary Order, with written findings of fact and conclusions of law. A permanent Order may include ordering restitution, assessing administrative penalties, or other action.

If a request for hearing is not timely made, the Division will request that the Commission make permanent this Temporary Order, with written findings of fact and conclusions of law, which may include ordering restitution, assessing administrative penalties, or other relief.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Kacie Cannon, ADA Coordinator, voice phone number (602) 542-3931, e-mail kcannon@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

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XI.**ANSWER REQUIREMENT**

Pursuant to A.A.C. R14-4-305, if a Respondent requests a hearing, the requesting Respondent must deliver or mail an Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Temporary Order and Notice. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at www.azcc.gov/divisions/hearings/docket.asp.

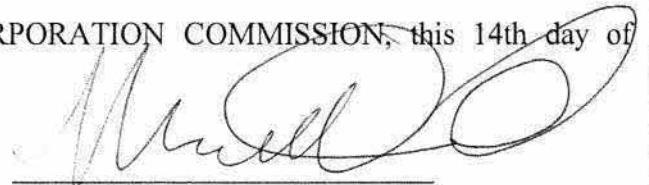
Additionally, the answering respondent must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007, addressed to Christopher Nichols.

The Answer shall contain an admission or denial of each allegation in this Temporary Order and Notice and the original signature of the answering respondent or the respondent's attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When the answering respondent intends in good faith to deny only a part or a qualification of an allegation, the Respondent shall specify that part or qualification of the allegation and shall admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 14th day of December, 2018.



Mark Dinell
Acting Director of Securities